

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2019

Docket No. ACR2019

CHAIRMAN'S INFORMATION REQUEST NO. 13

(Issued February 11, 2020)

To clarify the basis of information provided by the Postal Service in its FY 2019 Annual Compliance Report (ACR), filed December 27, 2019,¹ the Postal Service is requested to provide written responses to the following requests. Answers should be provided to individual requests as soon as they are developed, but no later than February 18, 2020.

Service Performance

1. Please provide annualized FY 2019 data for the top five root cause point impacts for First-Class Mail, disaggregated by shape/product and service standard.²
2. Please refer to the Responses of the United States Postal Service to Questions 1-22 of Chairman's Information Request No. 3, January 22, 2020, question 22 and Docket No. ACR2018, Responses of the United States Postal Service to Questions 1-15, 17-50 of Chairman's Information Request No. 1, January 11, 2019, question 50 (Docket No. ACR2018, January 11 Responses to CHIR No. 1).

¹ United States Postal Service FY 2019 Annual Compliance Report, December 27, 2019 (FY 2019 ACR).

² See Docket No. ACR2018, Annual Compliance Determination, April 12, 2019, at 171 (FY 2018 ACD); Library Reference USPS-FY19-29, December 27, 2019, Excel file "FY19 ACR FCM Q1-2-4-5 EOY.xlsx," tabs "Q1_PFCM" and "Q1_SPFC."

- a. For First-Class Mail Presorted Letters/Postcards from FY 2018 to FY 2019, please explain why the percentage of mail entered at Full-Service Intelligent Mail barcode (IMb) prices and included in measurement decreased (and conversely why the percentage of mail processed as Full-Service IMb, but excluded from measurement increased).
- b. For USPS Marketing Mail total, High Density and Saturation Letters, High Density and Saturation Parcels, Carrier Route, Letters, and Flats from FY 2018 to FY 2019, please explain the following:
 - i. Why the percentage of mail in measurement decreased; and
 - ii. Why the percentage of mail entered at Full-Service IMb prices and included in measurement decreased (and conversely why the percentage of mail processed as Full-Service IMb, but excluded from measurement increased).
- c. For Outside County Periodicals from FY 2018 to FY 2019, please explain why the percentage of mail in measurement decreased.
- d. For total Periodicals in FY 2019, please identify the following:
 - i. The percentage of mail in measurement;
 - ii. The percentage of mail entered at Full-Service IMb prices and included in measurement; and
 - iii. The percentage of mail processed as Full-Service IMb, but excluded from measurement.
- e. For Bound Printed Matter Flats from FY 2018 to FY 2019, please explain the following:
 - i. Why the percentage of mail in measurement decreased; and
 - ii. Why the percentage of mail entered at Full-Service IMb prices and included in measurement decreased (and conversely why the

percentage of mail processed as Full-Service IMb, but excluded from measurement increased).

3. As part of its mitigation plan to reduce the Work In Process cycle time for flat-shaped USPS Marketing Mail and Periodicals in FY 2019, the Postal Service stated that it would recertify facilities in Lean Mail Processing and focus on First-In-First-Out (FIFO) discipline. See Docket No. ACR2018, January 11 Responses to CHIR No. 1, question 18.
 - a. Please report on the progress and efficacy of this planned initiative in FY 2019. In the response, please specify how many facilities were recertified in each of the seven Postal Service Administrative Areas in FY 2019 and how recertification affected FY 2019 service performance results.
 - b. Please confirm the Postal Service plans to continue this recertification initiative in FY 2020. If confirmed, please specify how many facilities are planned for recertification in each of the seven Postal Service Administrative Areas in FY 2020. If not confirmed, please explain.
4. As part of its mitigation plan to address service performance for USPS Marketing Mail and Periodicals in FY 2019, the Postal Service stated that “[t]raining will occur in FY 2019 to ensure all management employees understand the FIFO method of mail management.” Docket No. ACR2018, January 11 Responses to CHIR No. 1, questions 35, 39.
 - a. Please report on the progress and efficacy of this planned initiative in FY 2019. In the response, please specify how many management employees received FIFO training in each of the seven Postal Service Administrative Areas in FY 2019, how many management employees did not receive FIFO training in each of the seven Postal Service Administrative Areas in FY 2019, and how FIFO training of management employees affected FY 2019 service performance results.

- b. Please confirm the Postal Service plans to continue this FIFO training initiative in FY 2020. If confirmed, please specify how many management employees are planned to receive FIFO training in each of the seven Postal Service Administrative Areas in FY 2020. If not confirmed, please explain.
- 5. As part of its mitigation plan to address service performance for Periodicals in FY 2019, the Postal Service stated that quarterly audits would be performed to ensure sort programs for Periodicals align with the labeling list.³
 - a. Please confirm quarterly audits were performed as planned in FY 2019.
 - b. If part a of this question is confirmed, please indicate how auditing affected FY 2019 service performance results and whether any sort programs were realigned as a result of the audits.
 - c. If part a of this question is not confirmed, please explain.
 - d. Please confirm quarterly audits are planned for FY 2020.
 - e. If part d of this question is confirmed, please indicate how auditing is expected to improve FY 2020 service performance results.
 - f. If part d of this question is not confirmed, please explain.

By the Chairman.

Robert G. Taub

³ Docket No. ACR2018, Library Reference USPS-FY18-29, December 28, 2018, file "FY18-29 Service Performance Report.pdf," at 16.